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From: Hough, Palmer
Sent: Tue 9/24/2013 2:04:48 PM
Subject: FW: [New post] Anglo American Under Fire in Chile for Environmental Violations

FYI – Rachel shared and I am passing along.

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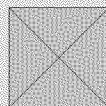
From: Fertik, Rachel
Sent: Tuesday, September 24, 2013 9:58 AM
To: Hough, Palmer
Subject: FW: [New post] Anglo American Under Fire in Chile for Environmental Violations

From: I THINK MINING [<mailto:comment-reply@wordpress.com>]
Sent: Monday, September 23, 2013 1:22 AM
To: Fertik, Rachel
Subject: [New post] Anglo American Under Fire in Chile for Environmental Violations

Jack Caldwell posted: " Hard on the heels of leaving the Pebble Mine, Anglo is again in trouble. As a news report has it: Chile's environmental regulator (SMA) is bringing charges against mining giant Anglo American's local division, after inspections conducted last April sh"

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New post on I THINK MINING



Anglo American Under Fire in Chile for Environmental Violations

by Jack Caldwell

Hard on the heels of leaving the Pebble Mine, Anglo is again in trouble. As a news report has it:

Chile's environmental regulator (SMA) is bringing charges against mining giant Anglo American's local division, after inspections conducted last April showed the company breached several environmental laws.

After it audited several mining projects at Anglo Sur's El Soldado, located 132 kilometres from Santiago in the district of Nogales, the authority detected multiple irregularities, including failing to fully preserve and relocate vegetation, ineffective wetland conservation plans and water management, lack of environmental monitoring and tailings located in area for which the company didn't have a permit for.

The SMA said since Anglo incurred in (sic) both minor and serious offenses, it risks fines that range from US\$970,000 to \$4.9 million, or even the revocation of its environmental permit.

Can you imagine the ruckus this would have caused had Anglo still been part of Pebble?

As it is the news is bad enough. Do they really have tailings in unpermitted areas? How can so large a mining company make such egregious mistake?

By way of full disclosure, I have and am working as a consultant to Anglo on various projects. The people I work for are hard-working, honest, committed, and very busy. Maybe just too busy.

Recall that Todd Martin said that mining companies cut cost to the point that failures occur and then they take another look at costs and maybe adjust cost cutting and staff layoff. Maybe Anglo is at that point.

Although the head of Anglo has vowed to cut cost further. Maybe we are seeing only the tip of the wave (iceberg) of past failures of past parsimonious decisions. Maybe far worse is to come. Maybe as Cutifani said: heads will roll.

I know the past head of tailings for Anglo in South Africa quit because he was overworked: required to review at least one facility a week, including those worldwide. You cannot even travel to most of the mines in a week, net alone review their tailings operations.

There will be some who will say the Chilean authorities are being excessive, unfair, and unreasonable. They will say the Chilean authorities are flexing their muscle having stopped Pascua Lama where they claim things were out of hand and environmental impacts out of control.

Now I am a Victorian Liberal which my kids tease me is just a modern-day Huntington Beach Libertarian. Not so sure, but regardless, I admit that I have frequently written that the only hope for responsible mining is an informed & active regulator. They must set reasonable laws and regulations and then they must enforce them. For the miners are just like me: committed to mining, but overworked and too prone to cut corners when it is possible.

So I applaud the Chilean regulators who have now acted. Not all is perfect in Anglo's Chile mines, any more than anywhere else. Clearly the company has made mistakes in the past (witness Pebble) and will continue to stumble as it adjusts to new circumstances. They will have to rethink their staffing for important and critical issues. Maybe staff now free of Pebble madness can go to Chile to clean things up.

PS. Tonight at the party for next week's Heap Leach Conference, we discussed this story. One cynic told the story of McMillian Blodell in BC who decided it was cheaper to pay the fines than obey the laws. His opinion is that maybe what is happening in Chile. As he noted, \$5 million is a hell of a lot less than \$300 million or the cost of establishing wetlands and putting tailings in distant sites.

Jack Caldwell | September 23, 2013 at 5:21 am | Tags: [Anglo American](#), [Chile](#), [el soldado](#), [environment](#), [Pebble Mine](#), [violations](#) | Categories: [About the news](#), [brandy](#), [consulting](#), [environmental](#), [Latin America](#), [Tailings](#) | URL: <http://wp.me/p3sE9-30e>

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